

Chapter 13.

Contractors State License Board Rules and Regulations

Rules and regulations serve to interpret or make laws specific. The laws themselves provide the authority for rules and regulations. Laws take precedence and are in effect even if the affected rules and regulations have not been corrected to reflect any changes in the law.

If you have questions concerning a particular regulation, refer to the sections of the Business and Professions Code cited in the note after the particular regulation.

For a summary of 2002 changes to the CSLB Rules and Regulations, please see page v.

LIST OF CURRENT BOARD RULES AND REGULATIONS

Article 1. Definitions

810. Definitions

Article 1.5. Revenue

811. Fees
812. Dishonored Check Service Charge
813. Abandonment of Application

Article 2. Application for License

816. Application Form for Original License
817. Operating Capital Defined
819. Requirement of Corporations
823. Definitions: Bona Fide Employee; Direct Supervision and Control
824. Application Investigation Required
825. Experience Requirement of Applicant
826. Registrar to Pass on Experience
827. Review of Application for Original License, Additional Classification, or Replacement of Qualifying Person
828. Review of Application for Home Improvement Salesman Registration
829. Credit for Experience

Article 3. Classification

830. Classification Policy
831. Incidental and Supplemental Defined
832. Specialty Contractors Classified
832.02. Class C-2—Insulation and Acoustical Contractor
832.04. Class C-4—Boiler, Hot-Water Heating and Steam Fitting Contractor
832.05. Class C-5—Framing and Rough Carpentry Contractor

- 832.06. Class C-6—Cabinet, Millwork and Finish Carpentry Contractor
832.07. Class C-7—Low Voltage Systems Contractor
832.08. Class C-8—Concrete Contractor
832.09. Class C-9—Drywall Contractor
832.10. Class C-10—Electrical Contractor
832.11. Class C-11—Elevator Contractor
832.12. Class C-12—Earthwork and Paving Contractors
832.13. Class C-13—Fencing Contractor
832.15. Class C-15—Flooring and Floor Covering Contractors
832.16. Class C-16—Fire Protection Contractor
832.17. Class C-17—Glazing Contractor
832.20. Class C-20—Warm-Air Heating, Ventilating and Air-Conditioning Contractor
832.21. Class C-21—Building Moving/Demolition Contractor
832.23. Class C-23—Ornamental Metal Contractor
832.27. Class C-27—Landscaping Contractor
832.28. Class C-28—Lock and Security Equipment Contractor
832.29. Class C-29—Masonry Contractor
832.31. Class C-31—Construction Zone Traffic Control Contractor
832.32. Class C-32—Parking and Highway Improvement Contractor
832.33. Class C-33—Painting and Decorating Contractors
832.34. Class C-34—Pipeline Contractor
832.35. Class C-35—Lathing and Plastering Contractor
832.36. Class C-36—Plumbing Contractor
832.38. Class C-38—Refrigeration Contractor
832.39. Class C-39—Roofing Contractor
832.42. Class C-42—Sanitation System Contractor
832.43. Class C-43—Sheet Metal Contractor
832.45. Class C-45—Electrical Sign Contractor
832.46. Class C-46—Solar Contractor
832.47. Class C-47—General Manufactured Housing Contractor
832.50. Class C-50—Reinforcing Steel Contractor
832.51. Class C-51—Structural Steel Contractor
832.53. Class C-53—Swimming Pool Contractor
832.54. Class C-54—Tile Contractor (Ceramic and Mosaic)

- 832.55. Class C-55—Water Conditioning Contractor
- 832.57. Class C-57—Well Drilling Contractor
- 832.60. Class C-60—Welding Contractor
- 832.61. Class C-61—Limited Specialty
- 832.62. Solar System Work Within Scope of Class A, Class B, and Class C-61 (Swimming Pool Maintenance)
- 834. Limitation of Classification

Article 4. Examinations

- 840. Written Examinations Required of All Applicants
- 841. Elimination and Revision of Examination Questions
- 842. Applicants May Be Re-Examined

Article 5. Renewal of License

- 853. Renewal Application Form
- 854. Renewal Fee and Reactivation Credit

Article 6. Bonds

- 856. Security in Lieu of Cash Deposit

Article 7. Special Provisions

- 860. Penalty for Failure to Comply with Rules
- 861. License Number Required in Advertising
- 861.5 Definition of Structural Defect
- 863. Public Access to Information
- 864. Continuance of License Under Section 7068.2
- 865. Continuance of License Under Section 7076
- 867. Procedure to Reactivate an Inactive License
- 868. Criteria to Aid in Determining if Acts or Crimes Are Substantially Related to Contracting Business
- 869. Criteria for Rehabilitation
- 870. Factors to Apply in Determining Earliest Date a Revoked Licensee May Apply for Licensure
- 871. Disciplinary Guidelines
- 872. Disclosure of General Liability Insurance
- 872.1 Checklist for Homeowners

Article 8. Citation

- 880. Order of Correction—Practical Feasibility
- 881. Order of Correction—Alternative Compliance
- 882. Order of Correction—Time Required to Correct
- 883. Order of Correction—Extension of Time to Correct
- 884. Recommended Assessments of Civil Penalties
- 885. Appeal of Citation
- 886. Service of Citation
- 887. Criteria to Evaluate the Gravity of a Violation of Business and Professions Code Section 7028.7

Article 9. Arbitration

- 890. Minimum Qualification Standards for Arbitrators

CALIFORNIA CODE OF REGULATIONS TITLE 16. DIVISION 8. CONTRACTOR'S STATE LICENSE BOARD

ARTICLE 1. DEFINITIONS

810. Definitions.

For the purposes of this chapter, "Board" means the Contractors State License Board and "Code," unless otherwise defined, means the Business and Professions Code.

*(Authority cited: Section 7008, Business and Professions Code.
Reference: Section 7008, Business and Professions Code.)*

ARTICLE 1.5. REVENUE

811. Fees

The fee for:

- (a) An application for an original license in a single classification is \$250
- (b) An application for an additional classification is \$50.
- (c) An application to replace a responsible managing officer or employee is \$50.
- (d) Rescheduling an examination is \$50.
- (e) Initial license of an active or inactive license is \$159.
- (f) Renewal of an active license is \$300.
- (g) Renewal of an inactive license is \$150.
- (h) An application for a home improvement salesperson registration is \$75.
- (i) Renewal of a home improvement salesperson registration is \$75.
- (j) An application for an asbestos certification is \$50.
- (k) An application for a hazardous substance removal or remedial action certification examination is \$50.

812. Dishonored Check Service Charge

The dishonored check service charge authorized by Section 6157 of the Government Code is \$10.00 for each check.

*(Authority cited: Section 7008, Business and Professions Code.
Reference: Section 7008, Business and Professions Code; and Section 6157, Government Code.)*

813. Abandonment of Application

(a) An application, other than a renewal application, shall be deemed abandoned whenever an applicant fails to return an application rejected for insufficiency or incompleteness within 90 days from date of original notice of rejection. This 90-day period may be extended by the Registrar for good cause.

(b) Any application so abandoned may not be reinstated; however, the applicant may file a new application accompanied by the required fee.

*(Authority cited: Section 7008, Business and Professions Code.
Reference: Section 7067, Business and Professions Code.)*

ARTICLE 2. APPLICATION FOR LICENSE**816. Application Form for Original License**

(a) The license application form prescribed by the Registrar shall seek from each member of the personnel of the applicant the following information:

(1) All information required by Section 7067.5 of the Code.

(2) A record of the previous experience in the field of construction of the member of applicant's personnel who will qualify for the classification requested.

(3) Whether the applicant or a member of applicant's personnel or whether to his or her knowledge anyone with whom he/she has been associated in the contracting field has ever been licensed or had a professional or vocational license refused or revoked.

(b) The application shall be signed, under penalty of perjury, by each member of the personnel of the applicant.

(c) Nothing in this Rule shall be interpreted to limit the Registrar's authority to require an applicant to provide any other information necessary to determine the applicant's qualifications, or to exempt the applicant therefrom, or to enforce the provisions of the Contractors License Law, except as otherwise required by law.

The Registrar may exempt applicants who are eligible for waiver of examination, pursuant to Section 7065.1 of the Code, or who are not required to take the examination, pursuant to Section 7065 of the Code, from the requirement to submit information described in subsection (a)(2).

(Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7066, 7067.5, 7067.6 and 7070, Business and Professions Code.)

817. Operating Capital Defined

(a) For purposes of Section 7067.5 of the Code, the term "operating capital" means the difference between current assets and current liabilities as defined in subsections (b) and (c), respectively.

(b) For accounting purposes, "current assets" means cash and other assets or resources commonly identified as those which are reasonably expected to be realized in cash or sold or consumed during the normal operating cycle of the business. Thus, the term comprehends in general such resources as

(1) cash available for current operations and items which are the equivalent of cash;

(2) inventories of merchandise, raw materials, goods in process, finished goods, operating supplies, and ordinary maintenance material and parts;

(3) trade accounts, notes, and acceptances receivable;

(4) receivables from officers, employees, affiliates, and others, if collectible in the ordinary course of business within a year;

(5) installment or deferred accounts and notes receivable if they conform generally to normal trade practices and terms within the business;

(6) marketable securities representing the investment of cash available for current operations; and

(7) prepaid expenses such as insurance, interest, rents, taxes, unused royalties, current paid advertising service not yet received, and operating supplies. Prepaid expenses are not current assets in the sense that they will be converted into cash but in the sense that, if not paid in advance, they would require the use of current assets during the operating cycle.

(c) For accounting purposes, current liabilities include those obligations whose liquidation is reasonably expected to require the use of existing resources properly classifiable as current assets, or the creation of other current liabilities. As a balance-sheet category, the classification is intended to include obligations for items which have entered into the operating cycle, such as payables incurred in the acquisition of materials and supplies to be used in the production of goods or in providing services to be offered for sale; collections received in advance of the delivery of goods or performance of services; and debts which arise from operations directly related to the operating cycle, such as accruals for wages, salaries, commissions, rentals, royalties, and income and other taxes. Other liabilities whose regular and ordinary liquidation is expected to occur within a relatively short period of time, usually twelve months, are also intended for inclusion, such as short-term debts arising from the acquisition of capital assets, serial maturities of long-term obligations, amounts required to be expended within one year under sinking fund provisions, and agency obligations arising from the collection or acceptance of cash or other assets for the account of third persons.

(Authority cited: Section 7008, Business and Professions Code. Reference: Section 7067.5, Business and Professions Code.)

819. Requirement of Corporations

A foreign or domestic corporation, applying for a license, shall complete a certification as prescribed by the Registrar, showing that it has fulfilled the filing requirements of the California Secretary of State as set out in Sections 200 and 2105 of the Corporations Code.

(Authority cited: Section 7008, Business and Professions Code. Reference: Section 7067, Business and Professions Code.)

823. Definitions: Bona Fide Employee; Direct Supervision and Control

(a) For purposes of Section 7068 of the Code, "bona fide employee" of the applicant means an employee who is permanently employed by the applicant and is actively engaged in the operation of the applicant's contracting business for at least 32 hours or 80% of the total hours per week such business is in operation, whichever is less.

(b) For purposes of Section 7068.1 of the Code, "direct supervision and control" includes any one or any combination of the following activities: supervising construction, managing construction activities by making technical and administrative decisions, checking jobs for proper workmanship, or direct supervision on construction job sites.

(Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7068 and 7068.1, Business and Professions Code.)

824. Application Investigation Required

In addition to a review and verification of all applications for licensure, the Registrar shall conduct a comprehensive field investigation of a minimum of 3% of all such applications. Such investigation shall include those areas of experience claimed and such other areas as the Registrar deems appropriate for the protection of the public.

All claimed experience shall be supportable by documentation satisfactory to the Board. The Registrar shall provide to the Board, for its approval, acceptable forms of such documentation and shall inform the applicant in the application form that such documentation may be requested by the Board.

*(Authority cited: Section 7008, Business and Professions Code.
Reference: Section 7068, Business and Professions Code.)*

825. Experience Requirement of Applicant

(a) Every applicant for a contractor's license must have had, within the last 10 years immediately preceding the filing of the application, not less than four years experience as a journeyman, foreman, supervising employee or contractor in the particular class within which the applicant intends to engage as a contractor. For purposes of this section, "journeyman" means an experienced worker in the trade who is fully qualified, as opposed to a trainee, and is able to perform the trade without supervision; or one who has completed an apprenticeship program.

(b) An applicant who was formerly a qualifier on a license in the same classification applied for may compute experience without regard to the ten-year limitation.

(c) An applicant shall not be jeopardized in computing time for service in the armed forces of the United States during a National Emergency and the length of service may be added to the 10 years mentioned above.

(d) Acceptable training in an accredited school or completion of an approved apprenticeship program in accordance with the California Labor Code (commencing with Section 3070 of the Labor Code, Chapter 4, of Division 3) or its equivalent, as approved by the Registrar, in the construction trade for which application is made will be counted as experience. In no case, however, will such training or completion of an approved apprenticeship program count for more than 3 years of the experience.

(e) The required experience shall be possessed by one member of the applicant entity or by a responsible managing employee therefor, and the member or responsible managing employee shall be required to take the examination.

*(Authority cited: Section 7008, Business and Professions Code.
Reference: Section 7068, Business and Professions Code.)*

826. Registrar to Pass on Experience

The Registrar may determine that an applicant who does not have the specific experience required in Section 825 has some comparable knowledge, training, and/or experience which is equivalent to the required experience.

827. Review of Application for Original License, Additional Classification, or Replacement of Qualifying Person

(a) Application Requiring Examination:

(1) The Board shall inform an applicant in writing within 60 days of receipt whether the application is complete and has been referred for examination or is deficient and what specific information is required. An application is "complete" when an acceptable application and fee have been filed by the applicant.

(2) When an application is returned which was previously rejected for deficiencies, the Board shall decide within 5 days of receipt whether the application is complete and accepted for filing.

(3) The Board shall decide within 115 days after a complete application has been referred for examination whether an applicant meets the requirements for licensure, provided that the examination has been successfully completed and the applicant has filed the bond(s), fee and other documents required by Division 3 of the Business and Professions Code.

(4) If an applicant has not successfully completed the examination as scheduled in subsection (3), or met the other requirements of that subsection (subject to the limitations of Business and Professions Code Section 7074), the Board shall decide within 45 days of the successful completion of a subsequently scheduled examination and the filing of acceptable bond(s), fee and other documents required by Division 3 of the Business and Professions Code, whether the applicant meets the requirements for licensure.

(5) The periods specified in subsection (3) and (4) shall be extended by a period of 60 days, if the application must be investigated.

(6) The minimum, median and maximum times for an application requiring examination for licensure as a contractor, for an additional classification, or for replacement of the qualifying person from the time of receipt of the application until the Board decided to issue the license, grant the additional classification or the replacement of the qualifying person, based on the Board's past two years performance, were:

(A) Application for Original License, with Examination:

Minimum 11 days

Median 253 days

Maximum 726 days

(B) Application for Additional Classification, with Examination:

Minimum 20 days

Median 96 days

Maximum 617 days

(C) Application for Replacement of the Qualifying Person, with Examination:

Minimum 20 days

Median 78 days

Maximum 428 days

These periods include not only the Board's processing time, but also the time for which the applicant is responsible: e.g., the return of a rejected application, failure of and/or failure to appear at examinations, filing of the required bond(s) and fee.

(b) Applications Not Requiring Examination:

(1) The Board shall inform an applicant for licensure, without examination, as a contractor, for an additional classification, or for replacement of the qualifying person pursuant to Sections 7065 or 7065.1 of the Business and Professions Code within 50 days of receipt whether the application is complete and what the issuance or granting requirements are or that the application is deficient and what specific information is required.

(2) When an application is returned which was previously rejected for deficiencies, the Board shall decide within 5 days of receipt if the application is now complete and accepted for filing.

(3) Once the applicant has filed acceptable bond(s) and other documents required by Division 3 of the Business and Professions Code, the Board shall decide within 15 days whether the applicant meets the requirements for licensure.

(4) The period outlined in subsection (1) may be extended by 60 days if the application must be investigated.

(5) The minimum, median and maximum times for an application for licensure, without examination, as a contractor, for an additional classification, or for replacement of the qualifying person from the time of receipt of the application until the Board decided to issue the license, grant the additional classification or the replacement of the qualifying person, based on the Board's past two years performance were:

(A) Application for Original License, without Examination:

Minimum 1 day

Median 48 days

Maximum 349 days

(B) Application for Additional Classification, without Examination:

Minimum 24 days

Median 58.5 days

Maximum 358 days

(C) Application for Replacement of the Qualifying Person, without Examination:

Minimum 1 day

Median 29 days

Maximum 253 days

These periods include not only the Board's processing time, but also the time for which the applicant is responsible: e.g., return of a rejected application and filing of the required bond(s) and fee.

(Authority cited: Section 7008, Business and Professions Code; and Section 15376, Government Code. Reference: Section 15376, Government Code; and Sections 7065, 7065.1 and 7074, Business and Professions Code.)

828. Review of Application for Home Improvement Salesman Registration

(a) The Board shall inform, in writing, an applicant for registration as home improvement salesman within 30 days of receipt whether the application is deficient and what specific information is required or whether the registration has been issued.

(b) When an application is returned which was previously rejected for deficiencies, the Board shall decide whether the applicant meets the requirements for registration within 5 days after return of the completed application. A "completed application" means that an acceptable application form together with all required information, documentation and fee has been filed by the applicant.

(c) The time periods outlined in (a) and (b) may be extended by 5 weeks if the fee is in the form of a personal or company check, or by 60 days if an application requires investigation to determine if a statement of issues must be filed.

(d) The minimum, median and maximum processing times for an application for registration as a home improvement salesman from the time of receipt of the initial application until the Board makes a final decision on the application, based on the Board's past two years performance, are:

Minimum: 1 day

Median: 8 days

Maximum: 53 days

(Authority cited: Section 7008, Business and Professions Code.

Reference: Section 15376, Government Code; and Section 7153.1, Business and Professions Code.)

829. Credit for Experience

When an applicant has failed to pass the trade examination, the registrar shall evaluate the applicant's construction experience as defined in section 825(a), (b) and (c) of this code and shall, provided the experience is clearly listed on the application and properly verified by certificates in support of the applicant's experience, add to the examination grade, credit for experience, of one-half percentage point for each year of experience, commencing with and including the fifth year and ending with and including the fourteenth year of experience. The maximum credit for experience added to the trade examination shall not exceed five percentage points.

(Authority cited: Sections 7008 and 7065, Business and Professions Code. Reference: Sections 7065 and 7068, Business and Professions Code.)

ARTICLE 3. CLASSIFICATION

830. Classification Policy

(a) All contractors to whom licenses are issued shall be classified by the Registrar as a specialty contractor, as defined in this article; a general engineering contractor (Class A), as defined in Section 7056 of the Code; or a general building contractor (Class B), as defined in Section 7057 of the Code.

(b) Contractors licensed in one classification shall be prohibited from contracting in the field of any other classification unless they are also licensed in that classification or are permitted to do so by Section 831.

(Authority cited: Section 7008, Business and Professions Code.
Reference: Section 7059, Business and Professions Code.)

831. Incidental and Supplemental Defined

For purposes of Section 7059, work in other classifications is "incidental and supplemental" to the work for which a specialty contractor is licensed if that work is essential to accomplish the work in which the contractor is classified. A specialty contractor may use subcontractors to complete the incidental and supplemental work, or he may use his own employees to do so.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Section 7059, Business and Professions Code.)

832. Specialty Contractors Classified

Specialty contractors shall perform their trade using the art, experience, science and skill necessary to satisfactorily organize, administer, construct and complete projects under their classification, in accordance with the standards of their trade.

They are classified into the following subclassifications:

Boiler, Hot Water Heating and Steam Fitting	C-4
Building Moving (and) Demolition	C-21
Cabinet and Mill Work	
(Note: now Framing and Rough Carpentry)	C-6
Carpentry (Note: now Carpentry, Cabinet and Millwork)	C-5
Concrete	C-8
Construction Zone Traffic Control Contractor	
(Note: new classification)	C-31
Drywall	C-9
Earthwork and Paving	C-12
Electrical (general)	C-10
Electrical Sign	C-45
Elevator (Installation)	C-11
Fencing	C-13
Fire Protection	C-16
Flooring and Floor Covering	C-15
General Manufactured Housing	C-47
Glazing	C-17
Insulation and Acoustical	C-2
Landscaping	C-27
Lathing (Note: no longer issued; merged into C-35)	C-26
Limited Specialty	C-61
Lock and Security Equipment	C-28
Low Voltage (Systems)	C-7
Masonry	C-29
Metal Roofing (No longer issued; merged into C-39 or C-43)	C-14
Ornamental Metal	C-23
Painting and Decorating	C-33

Parking and Highway Improvement	C-32
Pipeline	C-34
Plastering (Note: new title Lathing and Plastering)	C-35
Plumbing	C-36
Refrigeration	C-38
Roofing	C-39
Sanitation System	C-42
Sheet Metal	C-43
Solar	C-46
Steel, Reinforcing	C-50
Steel, Structural	C-51
Swimming Pool	C-53
Tile (Ceramic and Mosaic)	C-54
Warm-Air Heating, Ventilating and Air-Conditioning	C-20
Water Conditioning	C-55
Welding	C-60
Well Drilling (Water)	C-57

(Authority cited: Sections 7008 and 7059, Business and Professions Code.
Reference: Sections 7058 and 7059, Business and Professions Code.)832.02.

832.02. Class C-2—Insulation and Acoustical Contractor

An insulation and acoustical contractor installs any insulating media and preformed architectural acoustical materials for the purpose of temperature and/or sound control.

(Authority cited: Sections 7008 and 7059, Business and Professions Code.
Reference: Sections 7058 and 7059, Business and Professions Code.)

832.04. Class C-4—Boiler, Hot-Water Heating and Steam Fitting Contractor

A boiler, hot-water heating and steam fitting contractor installs, services and repairs power boiler installations, hot-water heating systems and steam fitting, including fire-tube and water-tube steel power boilers and hot-water heating low pressure boilers, steam fitting and piping, fittings, valves, gauges, pumps, radiators, convectors, fuel oil tanks, fuel oil lines, chimneys, flues, heat insulation and all other equipment, including solar heating equipment, associated with these systems.

(Authority cited: Sections 7008 and 7059, Business and Professions Code.
Reference: Sections 7058 and 7059, Business and Professions Code.)

832.05. Class C-5—Framing and Rough Carpentry Contractor

A framing and rough carpentry contractor performs any form work, framing or rough carpentry necessary to construct framed structures; installs or repairs individual components of framing systems and performs any rough carpentry or associated work, including but not limited to the construction or installation of: sub-flooring, siding, exterior staircases and railings, overhead doors, roof decking, truss members, and sheathing.

The amendments made to this section in 2002 shall become operative January 1, 2003, or as soon thereafter as adminis-

tratively feasible, whereupon any licensee who has passed the C-5 Carpentry, Cabinet and Millwork trade examination on or after January 10, 2000, up to the effective date of this section, shall have the C-6 Cabinet, Millwork and Finish Carpentry classification added to the applicable license.

832.06 Cabinet, Millwork and Finish Carpentry Contractor.

A cabinet, millwork and finish carpentry contractor makes cabinets, cases, sashes, doors, trims, nonbearing partitions and other items of “finish carpentry” by cutting, surfacing, joining, gluing and fabricating wood or other products to provide a functional surface. This contractor also places, erects, and finishes such cabinets and millwork in structures.

The amendments made to this section in 2002 shall become operative January 1, 2003, or as soon thereafter as administratively feasible, whereupon the C-6 Cabinet, Millwork and Finish Carpentry classification shall replace the C-5 Carpentry, Cabinet and Millwork classification on any license unless the qualifier for the license has passed the C-5 Carpentry, Cabinet and Millwork trade exam on or after January 10, 2000, or held the C-5 classification prior to that date.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.07. Class C-7—Low Voltage Systems Contractor

A communication and low voltage contractor installs, services and maintains all types of communication and low voltage systems which are energy limited and do not exceed 91 volts. These systems include, but are not limited to telephone systems, sound systems, cable television systems, closed-circuit video systems, satellite dish antennas, instrumentation and temperature controls, and low voltage landscape lighting. Low voltage fire alarm systems are specifically not included in this section.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.08. Class C-8—Concrete Contractor

A concrete contractor forms, pours, places, finishes and installs specified mass, pavement, flat and other concrete work; and places and sets screeds for pavements or flatwork. This class shall not include contractors whose sole contracting business is the application of plaster coatings or the placing and erecting of steel or bars for the reinforcing of mass, pavement, flat and other concrete work.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.09. Class C-9—Drywall Contractor

A drywall contractor lays out and installs gypsum wall board and gypsum wallboard assemblies, including nonstructural metal framing members, and performs the

taping and texturing operations including the applications of compounds that adhere to wall board to produce a continuous smooth or textured surface.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.10. Class C-10—Electrical Contractor

An electrical contractor places, installs, erects or connects any electrical wires, fixtures, appliances, apparatus, raceways, conduits, solar photovoltaic cells or any part thereof, which generate, transmit, transform or utilize electrical energy in any form or for any purpose.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.11. Class C-11—Elevator Contractor

An elevator contractor fabricates, erects, installs and repairs elevators, including sheave beams, motors, sheaves, cable and wire rope, guides, cab, counterweights, doors (including sidewalk elevator doors), automatic and manual controls, signal systems, and all other devices and equipment associated with the safe and efficient installation and operation of electrical, hydraulic and manually operated elevators.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.12. Class C-12—Earthwork and Paving Contractors

An earthwork and paving contractor digs, moves, and places material forming the surface of the earth, other than water, in such a manner that a cut, fill, excavation, grade, trench, backfill, or tunnel (if incidental thereto) can be executed, including the use of explosives for these purposes. This classification includes the mixing, fabricating and placing of paving and any other surfacing materials.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.13. Class C-13—Fencing Contractor

A fencing contractor constructs, erects, alters, or repairs all types of fences, corrals, runs, railings, cribs, game court enclosures, guard rails and barriers, playground game equipment, backstops, posts, flagpoles, and gates, excluding masonry walls.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.15. Class C-15—Flooring and Floor Covering Contractors

A flooring and floor covering contractor prepares any surface for the installation of flooring and floor coverings, and installs carpet, resilient sheet goods, resilient tile, wood floors and flooring (including the finishing and repairing thereof), and any other materials established as flooring and floor covering material, except ceramic tile.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.16. Class C-16—Fire Protection Contractor

A Fire protection contractor lays out, fabricates and installs all types of fire protection systems; including all the equipment associated with these systems, excluding electrical alarm systems.

(Authority cited: Section 7008 and 7059 of the Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.17. Class C-17—Glazing Contractor

A glazing contractor selects, cuts, assembles and/or installs all makes and kinds of glass, glass work, mirrored glass, and glass substitute materials for glazing; executes the fabrication and glazing of frames, panels, sashes and doors; and/or installs these items in any structure.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.20. Class C-20—Warm-Air Heating, Ventilating and Air-Conditioning Contractor

A warm-air heating, ventilating and air-conditioning contractor fabricates, installs, maintains, services and repairs warm-air heating systems and water heating heat pumps, complete with warm-air appliances; ventilating systems complete with blowers and plenum chambers; air-conditioning systems complete with air-conditioning unit; and the ducts, registers, flues, humidity and thermostatic controls and air filters in connection with any of these systems. This classification shall include warm-air heating, ventilating and air-conditioning systems which utilize solar energy.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7026.1, 7058 and 7059, Business and Professions Code.)

832.21. Class C-21—Building Moving/Demolition Contractor

A building moving/demolition contractor raises, lowers, cribs, underpins, demolishes and moves or removes structures, including their foundations. This classification does not include the alterations, additions, repairs or rehabilitation of the permanently retained portions of such structures.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.23. Class C-23—Ornamental Metal Contractor

An ornamental metals contractor assembles, casts, cuts, shapes, stamps, forges, welds, fabricates and installs, sheet, rolled and cast, brass, bronze, copper, cast iron, wrought iron, monel metal, stainless steel, steel, and/or any other metal for the architectural treatment and ornamental decoration of structures. This classification does not include the work of a sheet metal contractor.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.27. Class C-27—Landscaping Contractor

A landscape contractor constructs, maintains, repairs, installs, or subcontracts the development of landscape systems and facilities for public and private gardens and other areas which are designed to aesthetically, architecturally, horticulturally, or functionally improve the grounds within or surrounding a structure or a tract or plot of land. In connection therewith, a landscape contractor prepares and grades plots and areas of land for the installation of any architectural, horticultural and decorative treatment or arrangement.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.28. Class C-28—Lock and Security Equipment Contractor

A lock and security equipment contractor evaluates, sets up, installs, maintains and repairs all doors and door assemblies, gates, locks and locking devices, panic and fire rated exit devices, manual and automatic operated gate and door closures and releases, jail and prison locking devices and permanently installed or built in safes and vaults. This classification includes but is not limited to master key systems, metal window guards, security doors, card activated and electronic access control systems for control equipment, motion and other types of detectors and computer systems for control and audit of control systems and other associated equipment. Fire alarm systems are specifically not included in this section.

(Authority Cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.29. Class C-29—Masonry Contractor

A masonry contractor installs concrete units and baked clay products; concrete, glass and clay block; natural and manufactured stone; terra cotta; and fire brick or other material for refractory work. This classification includes the fabrication and installation of masonry component units for structural load bearing and non-load bearing walls for structures and fences installed with or without mortar; ceramic veneer (not tile) and thin brick that resembles full brick for facing; paving; and clear waterproofing, cleaning and caulking incidental to masonry construction.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.31. Class C-31—Construction Zone Traffic Control Contractor

A construction zone traffic control contractor prepares or removes lane closures, flagging or traffic diversions, utilizing portable devices, such as cones, delineators, barricades, sign stands, flashing beacons, flashing arrow trailers, and changeable message signs, on roadways, including, but not limited to, public streets, highways, or any public conveyance.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.32. Class C-32—Parking and Highway Improvement Contractor

A parking and highway improvement contractor applies and installs protective coatings, vehicle stops, guard rails and mechanical devices, directional lines, buttons, markers, signs and arrows on the horizontal surface of any game court, parking facility, airport, highway or roadway constructed of concrete, asphalt or similar material. This classification includes the surface preparatory work necessary for the application of protective coatings but does not include the re-paving of these surfaces.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.33. Class C-33—Painting and Decorating Contractors

A painting and decorating contractor prepares by scraping, sandblasting or other means and applies any of the following: paints, papers, textures, fabrics, pigments, oils, turpentine, japan, driers, thinners, varnishes, shellacs, stains, fillers, waxes, adhesives, water and any other vehicles, mediums and materials which adhere by evaporation and may be mixed, used and applied to the surfaces of structures and the appurtenances thereto for purposes of decorating, protecting, fireproofing and waterproofing.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.34. Class C-34—Pipeline Contractor

A pipeline contractor fabricates and installs pipelines for the conveyance of fluids, such as water, gas, or petroleum, or for the containment or protection of any other material, including the application of protective coatings or systems and the trenching, boring, shoring, backfilling, compacting, paving and surfacing necessary to complete the installation of such pipelines.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.35. Class C-35—Lathing and Plastering Contractor

(a) A lathing and plastering contractor coats surfaces with a mixture of sand, gypsum plaster, quick-lime or hydrated lime and water, or sand and cement and water, or a combination of such other materials that create a permanent surface coating, including coatings for the purpose of soundproofing and fireproofing. These coatings are applied with a plasterer's trowel or sprayed over any surface which offers a mechanical means for the support of such coating, and will adhere by suction. This contractor also installs lath (including metal studs) or any other material prepared or manufactured to provide a base or bond for such coating.

(b) A lathing and plastering contractor also applies and affixes wood and metal lath, or any other material

prepared or manufactured to provide key or suction bases for the support of plaster coatings. This classification includes the channel work and metal studs for the support of metal or any other lathing material and for solid plaster partitions.

(c) Effective January 1, 1998, or as soon thereafter as administratively feasible, all C-26 licensees will be merged into the C-35 Lathing and Plastering classification. On and after January 1, 1998, no application for the C-26 classification will be accepted and no new C-26 Lathing licenses will be issued.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.36. Class C-36—Plumbing Contractor

A plumbing contractor provides a means for a supply of safe water, ample in volume and of suitable temperature for the purpose intended and the proper disposal of fluid waste from the premises in all structures and fixed works. This classification includes but is not limited to:

(a) Complete removal of waste from the premises or the construction and connection of on-site waste disposal systems;

(b) Piping, storage tanks and venting for a safe and adequate supply of gases and liquids for any purpose, including vacuum, compressed air and gases for medical, dental, commercial and industrial uses;

(c) All gas appliances, flues and gas connections for all systems including suspended space heating units. This does not include forced warm air units;

(d) Water and gas piping from the property owner's side of the utility meter to the structure or fixed works;

(e) Installation of any type of equipment to heat water, or fluids, to a temperature suitable for the purposes listed in this section, including the installation of solar equipment for this purpose; and

(f) The maintenance and replacement of all items described above and all health and safety devices such as, but not limited to, gas earthquake valves, gas control valves, back flow preventors, water conditioning equipment and regulating valves.

(Authority Cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.38. Class C-38—Refrigeration Contractor

A refrigeration contractor constructs, fabricates, erects, installs, maintains, services and repairs refrigerators, refrigerated rooms, and insulated refrigerated spaces, temperature insulation, air-conditioning units, ducts, blowers, registers, humidity and thermostatic controls for the control of air, liquid, and/or gas temperatures below fifty degrees Fahrenheit (50°), or ten degrees Celsius (10°).

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7026.1, 7058 and 7059, Business and Professions Code.)

832.39. Class C-39—Roofing Contractor

A roofing contractor installs products and repairs surfaces that seal, waterproof and weatherproof structures. This work is performed to prevent water or its derivatives, compounds or solids from penetrating such protection and gaining access to material or space beyond. In the course of this work, the contractor examines and/or prepares surfaces and uses the following material: asphaltum, pitch, tar, felt, glass fabric, urethane foam, metal roofing systems, flax, shakes, shingles, roof tile, slate or any other roofing, waterproofing, weatherproofing or membrane material(s) or a combination thereof.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.42. Class C-42—Sanitation System Contractor

A sanitation system contractor fabricates and installs cesspools, septic tanks, storm drains, and other sewage disposal and drain structures. This classification includes the laying of cast-iron, steel, concrete, vitreous and nonvitreous pipe and any other hardware associated with these systems.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.43. Class C-43—Sheet Metal Contractor

A sheet metal contractor selects, cuts, shapes, fabricates and installs sheet metal such as cornices, flashings, gutters, leaders, pans, kitchen equipment, duct work (including insulation, patented chimneys, metal flues, metal roofing systems and any other installations requiring sheet metal).

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.45. Class C-45—Electrical Sign Contractor

An electrical sign contractor fabricates, installs and erects electrical signs, including the wiring of such electrical signs.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.46. Class C-46—Solar Contractor

A solar contractor installs, modifies, maintains, and repairs active solar energy systems. An active solar energy system consists of components which are thermally isolated from the living space for collection of solar energy and transfer of thermal energy to provide electricity and/or heating and cooling of air or water. Active solar energy systems include, but are not limited to, forced air systems, forced circulation water systems, thermosiphon systems, integral collector/storage systems, radiant systems, evaporative cooling systems with collectors, regenerative rockbed cooling systems, photovoltaic cells, and solar assisted absorption cooling systems.

A licensee classified in this section shall not undertake or perform building or construction trades, crafts or skills, except when required to install an active solar energy system. The C-46 classification will be issued after development of an examination.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

Note: Development of the examination was completed.

832.47. Class C-47—General Manufactured Housing Contractor

(a) A general manufactured housing contractor installs, alters, repairs or prepares for moving any type of manufactured housing as that term is defined in Section 18007 of the Health and Safety Code, including the accessory buildings or structures, and the foundations. A manufactured house does not include any recreational vehicle, commercial coach or factory built housing as that term is defined in Section 19971 of the Health and Safety Code.

(b) A general manufactured housing contractor may provide utility services on a single family individual site placement. Utility services mean the connection of gas, water, sewer and electrical utilities to the home.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.50. Class C-50—Reinforcing Steel Contractor

A reinforcing steel contractor fabricates, places and ties steel mesh or steel reinforcing bars (rods), of any profile, perimeter, or cross-section, that are or may be used to reinforce concrete structures.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.51. Class C-51—Structural Steel Contractor

A structural steel contractor fabricates and erects structural steel shapes and plates, of any profile, perimeter or cross-section, that are or may be used as structural members for buildings and structures, including the riveting, welding, rigging, and metal roofing systems necessary to perform this work.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.53. Class C-53—Swimming Pool Contractor

A swimming pool contractor constructs swimming pools, spas or hot tubs, including installation of solar heating equipment using those trades or skills necessary for such construction.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.54. Class C-54—Ceramic and Mosaic Tile Contractors

A ceramic and mosaic tile contractor prepares surfaces as necessary and installs glazed wall, ceramic, quarry, paver faience, glass mosaic and stone tiles; thin tile that resembles full brick, natural or simulated stone slabs for bathtubs, showers, and horizontal surfaces inside of

buildings, or any tile units set in the traditional or tile units set in the traditional or innovative tile methods, excluding hollow or structural partition tile.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.55. Class C-55—Water Conditioning Contractor

A water conditioning contractor installs water conditioning equipment with the use of only such pipe and fittings as are necessary to connect the water conditioning equipment to the water supply system and to by-pass all those parts of the water supply system within the premises from which conditioned water is to be excluded.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.57. Class C-57—Well Drilling Contractor

A well drilling contractor installs and repairs water wells and pumps by boring, drilling, excavating, casing, cementing and cleaning to provide a supply of uncontaminated water.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7026.3, 7058 and 7059, Business and Professions Code.)

832.60. Class C-60—Welding Contractor

A welding contractor causes metals to become permanently attached, joined and fabricated by the use of gases and electrical energy, which creates temperatures of sufficient heat to perform this work.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.61. Classification C-61—Limited Specialty

(a) Limited specialty is a specialty contractor classification limited to a field and scope of operations of specialty contracting for which an applicant is qualified other than any of the specialty contractor classifications listed and defined in this article.

(b) An applicant classified and licensed in the classification Limited Specialty shall confine activities as a contractor to that field or fields and scope of operations set forth in the application and accepted by the Registrar or to that permitted by Section 831.

(c) Upon issuance of a C-61 license, the Registrar shall endorse upon the face of the original license certificate the field and scope of operations in which the licensee has demonstrated qualifications.

(d) A specialty contractor, other than a C-61 contractor, may perform work within the field and scope of the operations of Classification C-61, provided the work is consistent with established usage and procedure in the construction industry and is related to the specialty contractor's classification.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

832.62. Solar System Work Within Scope of Class A, Class B, and Class C-61 (Swimming Pool Maintenance)

(a) The phrase "in connection with fixed works requiring specialized engineering knowledge and skill" in Section 7056 of the Business and Professions Code shall include but not be limited to an active solar energy system.

(b) An active solar energy system constitutes use of more than two unrelated building trades or crafts within the meaning of Section 7057 of the Business and Professions Code.

(c) C-61 (Swimming Pool Maintenance Contractors) currently holding the SC-44 supplemental solar classification may continue to perform solar work authorized by Class SC-44 until one year after the implementation of the C-46 Solar Classification. Thereafter, classification C-61 (Swimming Pool Maintenance) is authorized to repair active solar heating systems for swimming pools.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7056, 7057 and 7058, Business and Professions Code.)

834. Limitation of Classification

(a) A licensee classified as a general engineering contractor shall operate only within those areas defined in Section 7056 of the Code.

(b) A licensee classified as a general building contractor, as defined in Section 7057 of the Code, shall take a prime contract or subcontract only as authorized by Section 7057.

(c) A licensee classified as a specialty contractor, as defined in Section 7058 of the Code, shall not act in the capacity of a contractor in any classification other than one in which he/she is classified except on work incidental or supplemental to the performance of a contract in a classification in which any contractor is licensed by the Board.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7056, 7057, 7058 and 7059, Business and Professions Code.)

ARTICLE 4. EXAMINATIONS

840. Written Examinations Required of All Applicants

Except as provided in Section 7065.1 of the Code, an applicant, including an applicant for an additional classification or classifications, must pass the written examination prescribed by the Registrar. No oral examination shall be given to any applicant. The reading of the examination instructions or questions or the explanation of the wording or intent of any of the questions to an examinee by any Board personnel authorized to conduct examinations, or by any duly sworn translators, shall not be considered an oral examination.

(Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7065 and 7068, Business and Professions Code.)

841. Elimination and Revision of Examination Questions

The Registrar shall, under the Board's direction, prepare and revise the written examinations for contractors' licenses.

The Registrar shall replace, eliminate or change any examination question or answer thereto brought to his/her attention if, in the Registrar's opinion, the question is misleading or unfair, or the approved answer is incorrect.

(Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7011, 7065, 7065.05 and 7068, Business and Professions Code.)

842. Applicants May Be Re-Examined

In accordance with and subject to Section 7074 of the Business and Professions Code, an applicant or examinee for the applicant for an original license, for an additional classification, or for a change of qualifier who does not pass or who fails to appear for a required examination may be re-examined twice in the part(s) failed, upon filing the required request for rescheduling and the rescheduling fee within 90 days of notification of failure or failure to appear for a scheduled examination.

(Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7065, 7074 and 7137, Business and Professions Code.)

ARTICLE 5. RENEWAL OF LICENSE

853. Renewal Application Form

(a) The Registrar shall mail to each licensee, prior to the expiration of the license, a renewal form with complete instructions for renewal of the license.

(b) A renewal application is delinquent if not postmarked by the expiration date.

(c) An incomplete renewal application shall be returned to the licensee by the Registrar with an explanation of the reasons for its rejection. If the renewal application is not returned before the expiration date of the license, the license shall expire as provided in Section 7140 of the Code.

(d) An expired license shall not be renewed until any accrued delinquency fee has been paid.

(Authority cited: Section 7008, Business and Professions Code. Reference: Section 7140, Business and Professions Code.)

854. Renewal Fee and Reactivation Credit

A \$100 credit will be applied to active license renewals and license reactivations from July 1, 1997 to June 30, 1999.

(Authority cited: Section 7008, Business and Professions Code. Reference: Section 7076.5, 7137 and 7138.5, Business and Professions Code.)

ARTICLE 6. BONDS

856. Security in Lieu of Cash Deposit

(a) A certificate of deposit, submitted pursuant to Section 7071.12(a) of the code, shall:

(1) When filed in lieu of a contractor's bond

(A) by an applicant, show the name style as set out on page one of the application.

(B) by a licensee, show the name style as currently recorded in the official files of the Board.

(2) When filed in lieu of a bond of qualifying individual, show the name style as in (1) above and the name of the responsible managing individual.

(3) Be made payable to the Contractors State License Board. The word trustee" shall not be included.

(4) Be issued for a period of not less than one year.

(5) Be automatically renewable at each maturity date.

(6) Provide that any interest earned shall be paid to the depositor.

(b) Assignment of a savings and loan association investment certificate or share account, or of a credit union certificate for funds or share account shall be upon a form prescribed and approved by the Registrar.

(1) The form shall show:

(A) The assignment of the account to the board.

(B) The name style as prescribed in subsection (a) above.

(C) The current address of the applicant or licensee.

(D) The name and address of the savings and loan association or credit union having custody of such funds.

(E) A declaration signed by an officer of the savings and loan association or the credit union that it received written notice of the assignment. This declaration shall include the title of the officer signing it.

(F) A receipt for the assignment from the Board with direction to the savings and loan association or the credit union that the earnings on the assigned account or certificate shall be paid to the assignor.

(2) The assignment form shall be accompanied by the savings and loan association pass book or investment certificate, the credit union certificate for funds or share account pass book of the assignor which shall show the name of the depositor-investor, that of the licensee or applicant, and the responsible managing individual, if applicable, and the amount of the assignment required by law.

(c) Eligible bearer bonds submitted pursuant to Section 7071.12(c) of the code shall be delivered to a bank in Sacramento, California, which shall act as agent for the applicant, licensee or responsible managing employee. The bank shall deliver the bonds to the Treasurer of the State of California only on order of the Registrar or an employee designated by the Registrar.

(1) The Registrar shall prescribe and approve the forms for the deposit or withdrawal of bearer bonds.

(2) Interest coupons shall remain attached to bearer bonds deposited with the Treasurer until such bonds are permanently withdrawn from the depository, not be resubmitted for deposit.

(3) In order to insure that sufficient security is on deposit, the bid price of bearer bonds, as recorded in the bond securities listed on the Pacific Coast Stock Exchange or some other authoritative source on the first day of the month in which such bonds are submitted for deposit,

shall be at least 25% in excess of the amount of the surety bond or cash deposit required to be submitted.

The Registrar shall prescribe such procedures and forms, and issue such orders as necessary to accept and process any cash deposit submitted pursuant to Section 7071.12(d) of the code. Personal checks shall not be accepted as cash.

(Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7071.5, 7071.6, 7071.8, 7071.9, 7071.10 and 7071.12, Business and Professions Code.)

ARTICLE 7. SPECIAL PROVISIONS

860. Penalty for Failure to Comply with Rules

Licensees and applicants for licenses shall comply with all rules and regulations of the Board and regulations issued by the Registrar. Violation of such rules and regulations shall constitute grounds for disciplinary action, or for the denial of a license.

(Authority cited: Section 7008, Business and Professions Code. Reference: Section 7008, Business and Professions Code.)

861. License Number Required in Advertising

As used in Section 7030.5 of the Code, the term advertising includes but is not limited to the following: any card, contract proposal, sign, billboard, lettering on vehicles, registered in this or any other state, brochure, pamphlet, circular, newspaper, magazine, airwave transmission and any form of directory under any listing denoting "Contractor" or any word or words of a similar import or meaning requesting any work for which a license is required by the Contractors License Law.

Upon a showing of good cause, the Registrar may grant an exemption to a licensee engaged in interstate contracting from the requirement that the licensee's license number be included in any advertising lettering on a vehicle registered in this or any other state. A request for an exemption shall be submitted on a form prescribed by the Registrar.

(Authority cited: Section 7008, Business and Professions Code. Reference: Section 7030.5, Business and Professions Code.)

861.5. Definition of "Structural Defect"

For the purpose of subdivision (b) of Section 7091 of the Code, "structural defect" is defined as meaning:

- (1) A failure or condition that would probably result in a failure in the load bearing portions of a structure,
- (2) which portions of the structure are not constructed in compliance with the codes in effect at the time for the location of the structure, provided that,
- (3) such failure or condition results in the inability to reasonably use the affected portion of the structure for the purpose for which it was intended.

(Authority cited: Sections 7008, 7091, Business and Professions Code. Reference: Section 7091, Business and Professions Code.)

863. Public Access to Information

The Registrar shall establish a system whereby members of the public may obtain from board records information regarding complaints made against licensed contractors,

their history of legal actions taken by the board, and license status, as hereafter specified. For purposes of this section, "complaint" means a written allegation which has been investigated and has been referred for legal action against the licensee. For purposes of this section, "legal action" means referral of the complaint for the issuance of a citation, accusation, statement of issues, or for the initiation of criminal action or injunctive proceedings.

(a) The Registrar shall maintain records showing the complaints received against licensees and, with respect to such complaints, shall make available to members of the public, upon request, the following information:

(1) The nature of all complaints on file against a licensee which have been investigated by a Deputy Registrar and referred for legal action against the licensee by the District Office. Information regarding complaints which are in the process of being screened, mediated, arbitrated or investigated shall not be disclosed.

(2) Such general cautionary statements as may be considered appropriate regarding the usefulness of complaint information to individual consumers in their selection of a contractor.

(3) Whenever complaint information is requested, the information disclosable under subsections (c) and (d) below shall also be released.

(b) If a complaint results in a legal action and is subsequently determined by the registrar, the Office of the Attorney General or a court of competent jurisdiction not to have merit, it shall be deleted from the complaint disclosure system.

(c) The Registrar shall maintain records showing a history of any legal actions taken by the board against all current license holders and shall make available to members of the public, upon request, all the following information:

(1) Whether any current license holder has ever been disciplined by the registrar and, if so, when and for what offense; and

(2) Whether any current licensee has ever been cited, and, if so, when and for what offense, and, whether such citation is on appeal or has been complied with;

(3) Whether any current license holder is named as a respondent in any currently pending disciplinary or legal action.

(d) The Registrar shall maintain records showing certain licensing and bonding information for all current license holders and shall make available to members of the public, upon request, all the following information regarding current license holders:

(1) The name of the licensee as it appears in the board's records; and

(2) The license number; and

(3) The classification(s) held; and

(4) The address of record; and

(5) The personnel of the licensee; and

(6) The date of original licensure; and

(7) Whether a bond or cash deposit is maintained and, if so, its amount; and

(8) If the licensee maintains a bond, the name and address of the bonding company and the bond's identification number, if any.

(e) Limitation of access to information. Further, the Registrar may set reasonable limits upon the number of requests for information responded per month from any one requestor.

(Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7124.5 and 7124.6, Business and Professions Code.)

864. Continuance of License Under Section 7068.2

When a notice of disassociation of the responsible managing officer or responsible managing employee is given within the time and in the manner prescribed by Section 7068.2 of the code, the license shall remain in force for a period of 90 days from the date of such disassociation.

(Authority cited: Section 7008, Business and Professions Code. Reference: Section 7068.2, Business and Professions Code.)

865. Continuance of License Under Section 7076

(a) An application for the continuation of a business under an existing license may be submitted to the Registrar within 90 days of:

- (1) the death of a person licensed as an individual,
- (2) the death or the disassociation of a partner of a licensed partnership, or
- (3) the death of an individual member or the disassociation of any entity of a licensed joint venture. If the application is approved by the Registrar, the license shall remain in force for a period of up to one year from the date of death or disassociation.

(b) The Registrar may approve an extension to the one-year provision outlined in subsection (a) if additional time is necessary to complete projects contracted for or commenced before the disassociation or death.

(c) A license so extended is subject to all the provisions of the Contractors License Law including those relating to renewal and bond requirements.

(Authority cited: Section 7008, Business and Professions Code. Reference: Section 7076, Business and Professions Code.)

867. Procedure to Reactivate an Inactive License

(a) A reactivation of an inactive license shall be effective on the date on which an acceptable form is received by the Registrar, on the date on which the full renewal fee provided for in Section 7137(d) of the code is paid, or on the date, if any, requested by the licensee, whichever last occurs.

(b) When an inactive license is reactivated, the Registrar shall issue to the licensee an active pocket license.

(c) The name, address, license number and classification of the reactivated licensee shall be posted publicly as prescribed by the Registrar.

(Authority cited: Section 7008, Business and Professions Code. Reference: Section 7076.5, Business and Professions Code.)

868. Criteria to Aid in Determining if Acts or Crimes Are Substantially Related to Contracting Business

For the purposes of denial, suspension, or revocation of a license pursuant to Division 1.5 (commencing with Section 475) of the code, a crime or act shall be considered to be substantially related to the qualifications, functions or duties of a contractor licensee (under Division 3, Chapter 9 of the code), if to a substantial degree, it evidences present or potential unfitness of a contractor licensee to perform the functions authorized by the license in a manner consistent with the public health, safety, or welfare. The crimes or acts shall include, but not be limited to the following:

(a) Any violation of the provisions of Chapter 9 of Division 3 of the code.

(b) Submitting false vouchers to obtain construction loan funds and not using the funds for purpose for which the claim was submitted.

(c) Willfully rebating to or on behalf of anyone contracting with a licensee, any part of money tendered the licensee for the provision of services, labor, materials or equipment.

(d) Theft of building materials or equipment for use on a construction project.

(e) Failure to comply with the provisions of the California Administrative Code, Chapter 8, Title 16.

(Authority cited: Sections 481 and 7008, Business and Professions Code. Reference: Sections 480, 481, 7066, 7067 and 7069, Business and Professions Code.)

869. Criteria for Rehabilitation

(a) When considering the denial of a contractor's license or home improvement salesman's registration under Section 480 of the code, the Board, in evaluating the applicant's rehabilitation and present eligibility for a license or registration will consider the following criteria:

(1) The nature and severity of the act(s) or crime(s) under consideration as grounds for denial.

(2) Evidence of any act(s) committed subsequent to the act(s) or crime(s) under consideration as grounds for denial which also could be considered as grounds for denial under Section 480 of the code.

(3) The time that has elapsed since commission of the act(s) or crime(s) referred to in subdivision (1) or (2).

(4) The extent to which the applicant has complied with any terms of parole, probation, restitution, or any other sanctions lawfully imposed against the applicant.

(5) Evidence, if any, of rehabilitation submitted by the applicant.

(b) When considering the suspension or revocation of a contractor's license on the grounds the licensee has been convicted of a crime, the Board, in evaluating the licensee's rehabilitation and present eligibility for a license or home improvement salesman's registration will consider the following criteria:

(1) Nature and severity of the act(s) or offense(s).

- (2) Total criminal record.
- (3) The time that has elapsed since commission of the act(s) or offense(s).
- (4) Whether the licensee has complied with any terms of parole, probation, restitution or any other sanctions lawfully imposed against the licensee.
- (5) If applicable, evidence of expungement proceedings pursuant to Section 1203.4 of the Penal Code.
- (6) Evidence, if any, of rehabilitation submitted by the licensee.
- (c) When considering a petition for reinstatement of the license of a contractor, the Board shall evaluate evidence of rehabilitation submitted by the petitioner, considering those criteria specified in subsection (b).

(Authority cited: Sections 482 and 7008, Business and Professions Code. Reference: Sections 480, 482 and 7069, Business and Professions Code.)

870. Factors to Apply in Determining Earliest Date a Revoked Licensee May Apply for Licensure

- (a) The Registrar shall have exclusive authority in setting the earliest date a revoked licensee may reapply for reissuance or reinstatement of a license.
- (b) when extending the minimum one year period, the Registrar shall give due consideration to the gravity of the violation, the history of previous violations and criminal convictions and evaluate the application based on the following criteria:

Reapplication Dates:

5 years—

License has been revoked:

- (1) One or more times; or
- (2) For committing fraudulent acts; or
- (3) Committing acts which have seriously endangered the public welfare and safety; or
- (4) For being convicted of a construction-related crime. (For the purposes of determining if a crime is construction-related, CCR Title 16, Chapter 8, Section 868 shall apply.)

4 years—

License has been revoked:

- (1) For committing violations on multiple construction projects; or
- (2) For committing multiple violations of law for reasons other than fraud, danger to the public welfare and safety and for conviction of a construction-related crime.

3 years—

License has been revoked and revoked licensee:

- (1) Has been issued more than one citation which has become final within one year immediately preceding the date of revocation or
- (2) Has been previously suspended by the Registrar as the result of a disciplinary action.

2 years—

License has been revoked and revoked licensee has been issued a citation, which has become final within one year immediately preceding the date of revocation.

1 year—

Licensee has been revoked for the first time and revoked licensee has no previous legal action history with the Board.

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.)

871. Disciplinary Guidelines

In reaching a decision on a disciplinary action under the Administrative Procedure Act (Government Code Section 11400 et seq.), the board shall consider the disciplinary guidelines entitled “Disciplinary Guidelines” (Rev. 12/11/96) which are hereby incorporated by reference. Deviation from these guidelines and orders, including the standard terms of probation, is appropriate where the board in its sole discretion determines the facts of the particular case warrants such a deviation—for example, the presence of mitigating factors such as the age of the case or evidentiary problems.

(Authority cited: Sections 7008, Business and Professions Code. Section 11400.20 and Section 11400.21, Government Code. Reference: Section 7099 and Section 7095, Business and Professions Code. Section 11425.50(e), Government Code.)

DISCIPLINARY GUIDELINES

(Rev. 12/11/96)

In assessing a disciplinary penalty against a person who has not had a previous citation, revocation, suspension nor denial of application, as the result of the filing of an accusation or a statement of issues, the Registrar shall give due consideration to the following guidelines. In addition to any penalties imposed, all persons that have had a license disciplined, whether or not the disciplinary action has been stayed, will be required to post a disciplinary bond pursuant to Section 7071.8. Unless otherwise specified, all references are to the Business and Professions Code.

Factors To Be Considered

In determining whether revocation, suspension or probation is to be imposed in a given case, factors such as the following should be considered:

1. Nature and severity of the act(s), offenses, or crime(s) under consideration.
2. Actual or potential harm to the public.
3. Performed work that was potentially hazardous to the health, safety, or general welfare of the public.
4. Prior disciplinary record.
5. Number and/or variety of current violations.
6. Mitigation evidence.
7. Rehabilitation evidence.
8. In case of a criminal conviction, compliance with terms of sentence and/or court-ordered probation.

Sections and Disciplinary Guidelines

125. Conspiracy with an Unlicensed Person

Minimum Penalty: Revocation, stayed, 3 years probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. *(See page 193)*
3. Submit copies of construction contracts to the Registrar upon demand during the probation period.
4. If not taken within the past 5 years, take and pass the CSLB law and business examination.
5. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
6. Community Service time as determined by the Registrar; 5-21 days.
7. Pay CSLB investigation and enforcement costs.

141. Disciplinary Action by Foreign Jurisdiction

Minimum Penalty: Revocation, stayed, 3 years probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. *(See page 193)*
3. Pay CSLB investigation and enforcement costs.
4. Community Service as determined by the Registrar; 5-21 days.

490. Conviction of a Crime—Substantial Relationship Required

Minimum Penalty: Revocation, stayed, 3 years probation

Maximum Penalty: Revocation

If warranted:

1. Absent compelling mitigating circumstances, conviction of a crime related to the functions of a contractor is a serious offense that warrants an outright revocation.
2. Actual suspension of at least 30 days.
3. Standard terms and conditions in cases of probation. *(See page 193)*
4. Make restitution.
5. If not taken within the past 5 years, take and pass the CSLB law and business examination.
6. Prohibit receipt of down payments.
7. Community Service as determined by the Registrar; 5-21 days.
8. Pay CSLB investigation and enforcement costs.

496. Violation of Section 123—Subversion of Licensee Examinations

Minimum Penalty: Revocation

Maximum Penalty: Revocation

If warranted:

1. Pay CSLB investigation and enforcement costs.

498. Securing a License Through Fraud, Deceit or Knowing Misrepresentation

Minimum Penalty: Revocation

Maximum Penalty: Revocation

If warranted:

1. Pay CSLB investigation and enforcement costs.

499. False Statement in Support of Application

Minimum Penalty: Revocation, stayed, 3 years probation

If warranted:

1. Absent compelling mitigating circumstances, making a false statement in support of an application of another person, is a serious offense that warrants an outright revocation.
2. Actual suspension of at least 30 days.
3. Standard terms and conditions in cases of probation. *(See page 193)*
4. If not taken within the past 5 years, take and pass the CSLB law and business examination.
5. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
6. Community Service as determined by CSLB; 5-21 days.
7. Pay CSLB investigation and enforcement costs.

860. (CCR) Penalty for Failure to Comply with Rules

Minimum Penalty: 5 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. *(See page 193)*
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Pay CSLB investigation and enforcement costs.

7018.5. Notice to Owner; Mechanics' Lien Law

Minimum Penalty: 5 day suspension, stayed, 1 year probation

Maximum Penalty: 60 day suspension, 1 year probation

If warranted:

1. Standard terms and conditions in cases of probation. (*See page 193*)
2. Submit copies of construction contracts to the Registrar upon demand during the probation period.
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Pay CSLB investigation and enforcement costs.

7027.3. Fraudulent Use of a License Number

Minimum Penalty: Revocation

Maximum Penalty: Revocation

If warranted:

1. Pay CSLB investigation and enforcement costs.

7029.1. Contracting Jointly Without a Joint Venture License

Minimum Penalty: 5 day suspension, stayed, 1 year probation

Maximum Penalty: 60 day suspension, 1 year probation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Pay CSLB investigation and enforcement costs.

7029.5. Identification on Vehicle, Plumbing, Electrical Sign, and Well-drilling

Minimum Penalty: 5 day suspension, stayed, 1 year probation

Maximum Penalty: 60 suspension, 1 year probation

If warranted:

1. Standard terms and conditions in cases of probation. (*See page 193*)
2. Pay CSLB investigation and enforcement costs.

7068.2. Failure to Notify; Disassociation of RMO/RME

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Standard terms and conditions in cases of probation. (*See page 193*)
2. If not taken within the past 5 years, take and pass the CSLB law and business examination.
3. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
4. Pay CSLB investigation and enforcement costs.

7071.11. Judgment, Admitted Claim or Good Faith Payment on Bond

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. Make restitution.
4. Pay CSLB investigation and enforcement costs.

7071.13. Reference in Advertising; Contractors Bond

Minimum Penalty: 5 day suspension, stayed, 1 year probation

Maximum Penalty: 60 day suspension, 1 year probation

If warranted:

1. Standard terms and conditions in cases of probation. (*See page 193*)
2. Submit copies of advertisements relating to contracting business to the Registrar prior to their being displayed or published during the probation period.
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Pay CSLB investigation and enforcement costs.

7071.15. Failure To Maintain a Sufficient Bond

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)

3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Pay CSLB investigation and enforcement costs.

7076. Failure To Notify; Death or Disassociation of Licensee Personnel

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Standard terms and conditions in cases of probation. (*See page 193*)
2. If not taken within the past 5 years, take and pass the CSLB law and business examination.
3. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
4. Pay CSLB investigation and enforcement costs.

7083. Failure To Notify, Changes of Personnel, Business Name, Address, Bond Exemption, and Multiple License Exemption

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Standard terms and conditions in cases of probation. (*See page 193*)
2. If not taken within the past 5 years, take and pass the CSLB law and business examination.
3. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
4. Pay CSLB investigation and enforcement costs.

7090. Failure To Obtain Building Permits

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. Make restitution.
4. Submit copies of building permits to the Registrar upon demand for projects undertaken during the probation period.
5. If not taken within the past 5 years, take and pass the CSLB trade examination.

6. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.

7. Pay CSLB investigation and enforcement costs.

7090.5. Fraud and Repeated Acts, Despite Corrections of Conditions

Minimum Penalty: Revocation, stayed, 3 years probation

Maximum Penalty: revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. Take and pass a course in accounting, bookkeeping and/or business management at an accredited community college. All courses must be approved in advance by the Registrar.
4. Submit copies of building permits to the Registrar upon demand for projects undertaken during the probation period.
5. Submit copies of construction contracts to the Registrar upon demand during the probation period.
6. Prohibit receipt of down payments.
7. Submit to the Registrar a detailed plan setting forth the procedure to be used to provide for direct supervising and control by the qualifying individual.
8. If not taken within the past 5 years, take and pass the CSLB law and business examination.
9. Take and pass a course in Contractors License Law or a course related to business law at an accredited community college. All courses must be approved in advance by the Registrar.
10. If not taken within the past 5 years, take and pass the CSLB trade examination.
11. Take and pass a vocational course(s) related to the trade(s) employed on the project. All courses must be approved in advance by the Registrar.
12. Pay CSLB investigation and enforcement costs.

7099.6. Failure To Comply with a Citation

Minimum Penalty: Revocation, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. Make restitution.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Pay CSLB investigation and enforcement costs.

7103. Disciplinary Action by Another State

Minimum Penalty: Revocation, stayed, 3 years probation.

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation.
(See page 193)
3. Pay CSLB investigation and enforcement costs.

7107. Abandonment

Minimum Penalty: Revocation, stayed, 3 years probation

Maximum Penalty: Revocation

If warranted:

1. Absent compelling mitigating circumstances, abandonment of a project is a serious offense that warrants an actual period of suspension of at least 30 days.
2. Standard terms and conditions in cases of probation.
(See page 193)
3. Make restitution.
4. Submit copies of building permits to the Registrar upon demand for projects undertaken during the probation period.
5. Submit copies of construction contracts to the Registrar upon demand during the probation period.
6. Submit to the Registrar a detailed plan setting forth the procedure to be used to provide for direct supervision and control by the qualifying individual.
7. If not taken within the past 5 years, take and pass the CSLB law and business examination.
8. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
9. If not taken within the past 5 years, take and pass the CSLB trade examination.
10. Take and pass a vocational course(s) related to the trade(s) employed on the project. All courses must be approved in advance by the Registrar.
11. During the period of probation, provide lien releases to project owners as soon as payment is received.
12. Pay CSLB investigation and enforcement costs.

7108. Misuse of Funds

Minimum Penalty: Revocation, stayed, 3 years probation

Maximum Penalty: Revocation

If warranted:

1. Absent compelling mitigating circumstances, misuse of funds is a serious offense that warrants an actual period of suspension of at least 30 days.
2. If diversion or misuse of funds is for personal use not related to construction work, outright revocation is appropriate.

3. Standard terms and conditions in cases of probation.
(See page 193)
4. Make restitution.
5. Take and pass a course in accounting, bookkeeping and/or business management at an accredited community college. All courses must be approved in advance by the Registrar.
6. Submit copies of construction contracts to the Registrar upon demand during the probation period.
7. If not taken within the past 5 years, take and pass the CSLB law and business examination.
8. Take and pass a course in Contractors License Law or course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
9. Community Service as determined by CSLB; 5-21 days.
10. Pay CSLB investigation and enforcement costs.

7108.5. Prime Contractors and Subcontractors; Payment Required

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation.
(See page 193)
3. Make restitution.
4. Take and pass a course in accounting, bookkeeping and/or business management at an accredited community college. All courses must be approved in advance by the Registrar.
5. If not taken within the past 5 years, take and pass the CSLB law and business examination.
6. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
7. Pay CSLB investigation and enforcement costs.

7109(a). Departure from Accepted Trade Standards for Workmanship

Minimum Penalty: Revocation, stayed, 2 years probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more. If the departure from trade standards is substantial, actual suspension of at least 30 days.
2. Standard terms and conditions in cases of probation.
(See page 193)
3. Make restitution.
4. Submit copies of building permits to the Registrar upon demand for projects undertaken during the probationary period.

5. Submit copies of construction contracts to the Registrar upon demand during the probation period.
6. Submit to the Registrar a detailed plan setting forth the procedure to be used to provide for direct supervising and control by the qualifying individual.
7. If not taken within the last 5 years, take and pass the CSLB law and business examination.
8. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
9. If not taken within the past 5 years, take and pass the CSLB trade examination.
10. Take and pass a vocational course(s) related to the trade(s) employed on the project. All courses must be approved in advance by the Registrar.
11. Pay CSLB investigation and enforcement costs.

7109(b). Departure from Plans and/or Specifications

Minimum Penalty: Revocation, stayed, 2 years probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more. If the departure from plans and/or specifications is substantial, actual suspension of at least 30 days.
2. Standard terms and conditions in cases of probation (*See page 193*)
3. Make restitution.
4. Submit copies of building permits to the Registrar upon demand for all projects undertaken during the probationary period.
5. Submit copies of construction contracts to the Registrar upon demand during the probation period.
6. Submit to the Registrar a detailed plan setting forth the procedure to be used to provide for direct supervising and control by the qualifying individual.
7. If not taken within the past 5 years, take and pass the CSLB law and business examination.
8. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
9. If not taken within the past 5 years, take and pass the CSLB trade examination.
10. Take and pass a vocational course(s) related to the trade(s) employed on the project. All courses must be approved in advance by the Registrar.
11. Pay CSLB investigation and enforcement costs.

7109.5. Violation of Safety Orders

Minimum Penalty: Revocation, stayed, 2 years probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Establish a safety program.
6. Pay CSLB investigation and enforcement costs.

7110. Violations of Other Laws; Disciplinary Action

Minimum Penalty: Revocation, stayed, 2 years probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. Make restitution.
4. Comply with orders or assessments of relevant agency.
5. If not taken within the past 5 years, take and pass the CSLB law and business examination.
6. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
7. Submit copies of building permits to the Registrar upon demand for projects undertaken during the probation period.
8. Establish a safety program.
9. Pay CSLB investigation and enforcement costs.

7110.1. Violation of Labor Code Section 206.5; Requiring Release of Claim for Wages

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Pay CSLB investigation and enforcement costs.

7110.5. Violation Pursuant to Section 98.9 of the Labor Code

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Pay CSLB investigation and enforcement costs.

7111. Preservation of Records

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. Take and pass a course in accounting, bookkeeping and/or business management at an accredited community college. All courses must be approved in advance by the Registrar.
4. If not taken within the past 5 years, take and pass the CSLB law and business examination.
5. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
6. Pay CSLB investigation and enforcement costs.

7111.1. Failure of Licensee To Cooperate in an Investigation of a Complaint

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. If not taken within the past 5 years, take and pass CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Pay CSLB investigation and enforcement costs.

7112. Misrepresentation on an Application

Minimum Penalty: Revocation, stayed, 3 years probation

Maximum Penalty: Revocation

If warranted:

1. Absent compelling mitigating circumstances, misrepresentation is a serious offense that warrants an outright revocation.
2. Actual suspension of at least 30 days.
3. Standard terms and conditions in cases of probation. (*See page 193*)
4. Community Service as determined by CSLB; 5-21 days.
5. Pay CSLB investigation and enforcement costs.

7113. Failure to Complete Project for Contract Price

Minimum Penalty: Revocation, stayed, 2 years probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more. If injury is substantial, actual suspension of at least 30 days.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. Make restitution.
4. Complete an education course in estimating construction costs or a related course in the field of construction science. All courses must be approved in advance by the Registrar.
5. Prohibit receipt of down payments.
6. If not taken within the past 5 years, take and pass the CSLB law and business examination.
7. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
8. Pay CSLB investigation and enforcement costs.

7113.5. Settlement of Lawful Obligations

Minimum Penalty: Revocation, stayed, 2 years probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. Make restitution.
4. Take and pass a course in accounting, bookkeeping and/or business management at an accredited community college. All courses must be approved in advance by the Registrar.
5. Submit a list of all subcontractors used on construction projects to the Registrar upon demand during the probation period.
6. Submit a list of all material suppliers used on construction projects to the Registrar upon demand during the probation period.
7. Pay CSLB investigation and enforcement costs.

7114. Aiding and Abetting an Unlicensed Person

Minimum Penalty: Revocation, stayed, 2 years probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation.
(See page 193)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Submit a list of all subcontractors used on construction projects to the Registrar upon demand during the probation period.
6. Pay CSLB investigation and enforcement costs.

7114.1. Certifying to False Experience

Minimum Penalty: Revocation, stayed, 3 years probation

Maximum Penalty: Revocation

If warranted:

1. Absent compelling mitigating circumstances, certifying false experience is a serious offense that warrants an outright revocation.
2. Standard terms and conditions in cases of probation.
(See page 193)
3. Community Service as determined by CSLB; 5-21 days.
4. Pay CSLB investigation and enforcement costs.

7115. Violation of the Contractors License Law

Minimum Penalty: 5 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in case of probation.
(See page 193)
3. Pay CSLB investigation and enforcement costs.

7116. Any Wilful or Fraudulent Act

Minimum Penalty: Revocation, stayed, 3 years probation

Maximum Penalty: revocation

If warranted:

1. Absent compelling circumstances, fraud is a serious offense that warrants an actual suspension of at least 60 days.
2. If the injury is substantial, outright revocation is appropriate.
3. Standard terms and conditions in case of probation.
(See page 193)
4. Make restitution.

5. If not taken within the past 5 years, take and pass the CSLB law and business examination.
6. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
7. Community Service as determined by CSLB; 5-21 days.
8. Pay CSLB investigation and enforcement costs.

7117. Variance from License as to Name or Personnel

Minimum Penalty: 5 day suspension, stayed, 1 year probation

Maximum Penalty: 364 day suspension, 2 years probation

If warranted:

1. Standard terms and conditions in case of probation.
(See page 193)
2. If not taken within the past 5 years, take and pass the CSLB law and business examination.
3. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
4. Pay CSLB investigation and enforcement costs.

7117.5. Contracting with an Inactive, Suspended or Expired License

Minimum Penalty: Revocation, stayed, 2 years probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in case of probation.
(See page 193)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Pay CSLB investigation and enforcement costs.

7117.6. Contracting Out of Classification

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in case of probation.
(See page 193)
3. Submit copies of construction contracts to the Registrar upon demand during the probation period.
4. Submit copies of all advertisements relating to contracting business to the Registrar prior to their being displayed or published during the probation period.
5. Pay CSLB investigation and enforcement costs.

7118. Contracting with an Unlicensed Person

Minimum Penalty: Revocation, stayed, 2 years probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation .
(See page 193)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Submit a list of all subcontractors used on construction projects to the Registrar upon demand during the probation period.
6. Community Service as determined by CSLB; 5-21 days.
7. Pay CSLB investigation and enforcement costs.

7118.4. Asbestos Related Inspection with Knowledge of Report being Required for Loan; Disclosure Required

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Absent compelling mitigating circumstances, conducting an asbestos related inspection while maintaining a financial relationship with an entity which performs corrective work without disclosing this fact is a serious offense that warrants an actual suspension of 60 days.
2. Standard terms and conditions in cases of probation.
(See page 193)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Community Service as determined by CSLB; 5-21 days.
6. Pay CSLB investigation and enforcement costs.

7118.5. Asbestos-related Work; Contracting with Uncertified Contractor

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Absent compelling mitigating circumstances, contracting with an uncertified asbestos contractor to perform asbestos related work is a serious offense that warrants an actual suspension of 60 days.
2. Standard terms and conditions in cases of probation.
(See page 193)

3. Submit a list of all subcontractors used on construction projects to the Registrar upon demand during the probation period.

4. Community Service as determined by CSLB; 5-21 days.

5. Pay CSLB investigation and enforcement costs.

7118.6. Asbestos-contracting with an Uncertified Person for Removal or Remedial Action

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Absent compelling mitigating circumstances, contracting with an uncertified person for removal or remedial asbestos work is a serious offense that warrants an actual suspension of 60 days.
2. Standard terms and conditions in cases of probation.
(See page 193)
3. Submit a list of all subcontractors used on construction projects to the Registrar upon demand during the probation period.
4. Community Service as determined by CSLB; 5-21 days.
5. Pay CSLB investigation and enforcement costs.

7119. Lack of Reasonable Diligence

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation.
(See page 193)
3. Make restitution.
4. Prohibit receipt of down payments.
5. Pay CSLB investigation and enforcement costs.

7120. Failure to Pay Money

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation.
(See page 193)
3. Take and pass a course in accounting, bookkeeping and/or business management at an accredited community college. All courses must be approved in advance by the Registrar.
4. If not taken within the past 5 years, take and pass the CSLB law and business examination.
5. Take and pass a course in Contractors License Law or a course related to construction law at an accredited

community college. All courses must be approved in advance by the Registrar.

6. Submit a list of all subcontractors used on construction projects to the Registrar upon demand during the probation period.
7. Submit a list of all material suppliers used on construction projects to the Registrar upon demand during the probation period.
8. Prohibit the receipt of down payments.
9. Provide lien releases to project owners on all future construction projects upon receipt of payments.
10. Pay CSLB investigation and enforcement costs.

7121. Prohibition against Association

Minimum Penalty: Revocation, stayed, 2 years probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. *(See page 193)*
3. Make restitution.
4. If not taken within the past 5 years, take and pass the CSLB law and business examination.
5. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
6. Pay CSLB investigation and enforcement costs.

7123. Conviction of a Crime

Minimum Penalty: Revocation, stayed, 3 years probation

Maximum Penalty: Revocation

If warranted:

1. Absent compelling mitigating circumstances, conviction of a crime related to the functions of a contractor is a serious offense and warrants an outright revocation.
2. Actual suspension of at least 30 days.
3. Standard terms and conditions in cases of probation. *(See page 193)*
4. Make restitution.
5. If not taken within the past 5 years, take and pass the CSLB law and business examination.
6. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
7. Prohibit the receipt of down payments.
8. Community Service as determined by CSLB; 5-21 days.
9. Pay CSLB investigation and enforcement costs.

7123.5. Violation of Prohibition Against Overpricing Following an Emergency or Disaster (Penal Code Section 396)

Minimum Penalty: 6 month suspension, 3 years probation

Maximum Penalty: Revocation

If warranted:

1. Absent compelling mitigating circumstances, overpricing following an emergency or disaster is a serious offense and warrants an outright revocation.
2. Actual suspension of 6 months.
3. Standard terms and conditions in cases of probation. *(See page 193)*
4. Make restitution.
5. If not taken within the past 5 years, take and pass the CSLB law and business examination.
6. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
7. Prohibit the receipt of down payments.
8. Community Service as determined by CSLB; 5-21 days.
9. Pay CSLB investigation and enforcement costs.

7125(b). Filing False Workers' Compensation Exemption Reports

Minimum Penalty: Revocation, stayed, 2 years probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. *(See page 193)*
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Submit a list of persons employed on construction related projects to the Registrar upon demand during the probation period.
6. Make restitution.
7. Pay CSLB investigation and enforcement costs.

7154. Employment of a Nonregistered Home Improvement Salesperson

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.

2. Standard terms and conditions in cases of probation.
(See page 193)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Pay CSLB investigation and enforcement costs.

7155. Violation of Contractors License Law by Home Improvement Salesperson

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation.
(See page 193)
3. Submit copies of construction contracts to the Registrar upon demand during the probation period.
4. If not taken within the past 5 years, take and pass the CSLB law and business examination.
5. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
6. Pay CSLB investigation and enforcement costs.

7155.5. Liability of a Contractor for a Home Improvement Salesperson

Minimum Penalty: Suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation.
(See page 193)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Submit copies of construction contracts to the Registrar upon demand during the probation period.
6. Prohibit the receipt of down payments.
7. Pay CSLB investigation and enforcement costs

7156. Registered Salespersons Violations

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation.
(See page 193)
3. Submit copies of construction contracts to the Registrar upon demand during the probation period.
4. Pay CSLB investigation and enforcement costs.

7157. Home Improvement Inducements

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of at least 5 days.
2. Standard terms and conditions in cases of probation.
(See page 193)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Submit copies of advertisements relating to contracting business to the Registrar prior to their being displayed or published during the probation period.
6. Prohibit the receipt of down payments.
7. Pay CSLB investigation and enforcement costs.

7158. False Completion Certificate

Minimum Penalty: Revocation, stayed, 3 years probation

Maximum Penalty: Revocation

If warranted:

1. Absent compelling circumstances, knowingly using a false certificate is a serious offense that warrants an actual suspension of at least 30 days.
2. Standard terms and conditions in cases of probation.
(See page 193)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Make restitution.
6. Submit copies of construction contracts to the Registrar upon demand during the probation period.
7. Prohibit receipt of down payments.
8. Community Service as determined by CSLB; 5-21 days.
9. Pay CSLB investigation and enforcement costs.

7159. Home Improvement Contract Requirements

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. If any injuries are involved, actual suspension of at least 30 days.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Submit copies of construction contracts to the Registrar upon demand during the probation period.
6. Prohibit receipt of down payments.
7. Community Service as determined by CSLB; 5-21 days.
8. Pay CSLB investigation and enforcement costs.

7161. Misrepresentation; False Advertisement

Minimum Penalty: Revocation, stayed, 3 years probation

Maximum Penalty: Revocation

If warranted:

1. Absent compelling mitigating circumstances, misrepresentation and false or deceptive advertising are serious offenses that warrant an actual period of suspension of at least 30 days.
2. If injury is substantial, outright revocation is appropriate.
3. Standard terms and conditions in cases of probation. (*See page 193*)
4. If not taken within the past 5 years, take and pass the CSLB law and business examination.
5. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
6. Submit copies of construction contracts to the Registrar upon demand during the probation period.
7. Submit copies of advertisements relating to contracting business to the Registrar prior to their being displayed or published during the probation period.
8. Prohibit the receipt of down payments.
9. Community Service as determined by CSLB; 5-21 days.
10. Pay CSLB investigation and enforcement costs.

7162. Representation with Respect to Trademark or Brand Name; Quantity or Size

Minimum Penalty: Revocation, stayed, 2 years probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Make restitution.
6. Submit copies of construction contracts to the Registrar upon demand during the probation period.
7. Submit copies of advertisements relating to contracting business to the Registrar prior to their being displayed or published during the probation period.
8. Prohibit the receipt of down payments.
9. Pay CSLB investigation and enforcement costs.

7164. Contract Form for Single Family Dwelling

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Submit copies of construction contracts to the Registrar upon demand during the probation period.
6. Pay CSLB investigation and enforcement costs.

7165. Swimming Pool Construction Contract

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See page 193*)
3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. Submit copies of construction contracts to the Registrar upon demand during the probation period.
6. Pay CSLB investigation and enforcement costs.

7183.5. Asbestos; Certification Obtained under False Pretenses

Minimum Penalty: Revocation, stayed, 3 years probation

Maximum Penalty: Revocation

If warranted:

1. Absent compelling mitigating circumstances, obtaining an asbestos certification under false pretenses is a serious offense and warrants an outright revocation.
2. Actual suspension of at least 30 days.
3. Standard terms and conditions in cases of probation. (*See below*)
4. Community Service as determined by CSLB; 5-21 days.
5. Pay CSLB investigation and enforcement costs.

7189. Asbestos Certification; Conflicts of Interest

Minimum Penalty: 60 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Absent compelling circumstances, a person defined as an “asbestos consultant” or a “site surveillance technician,” having financial or proprietary interest in an asbestos contractor’s company is a serious offense that warrants an actual suspension period of at least 30 days.
2. Standard terms and conditions in cases of probation. (*See below*)
3. Submit copies of construction contracts to the Registrar upon demand during the probation period.
4. Prohibit the receipt of down payments.
5. Community Service as determined by CSLB; 5-21 days.
6. Pay CSLB investigation and enforcement costs.

All Other Violations

Minimum Penalty: 5 day suspension, stayed, 1 year probation

Maximum Penalty: Revocation

If warranted:

1. Actual suspension of 5 days or more.
2. Standard terms and conditions in cases of probation. (*See below*)

3. If not taken within the past 5 years, take and pass the CSLB law and business examination.
4. Take and pass a course in Contractors License Law or a course related to construction law at an accredited community college. All courses must be approved in advance by the Registrar.
5. If not taken within the past 5 years, take and pass the CSLB trade examination.
6. Take and pass a vocational course(s) related to the trade(s) employed on the project. All courses must be approved in advance by the Registrar.
7. Submit copies of construction contracts to the Registrar upon demand during the probation period.
8. Make restitution
9. Pay CSLB investigation and enforcement costs.

Standard Terms and Conditions To Be Included in all Cases of Probation**1. Obey All Laws:**

Respondent shall comply with all federal, state and local laws governing the activities of a licensed contractor in California.

2. Interviews With Regional Deputy:

Respondent and any of respondent’s personnel of record shall appear in person for interviews with the Regional Deputy or designee upon request and reasonable notice.

3. Completion Of Probation:

Upon successful completion of probation, the contractor’s license will be fully restored.

4. Violation Of Probation:

If respondent violates probation in any respect, the Registrar, after giving notice and opportunity to be heard, may revoke probation and impose the disciplinary order that was stayed. If the decision contains an order to make restitution, the Registrar may impose the disciplinary order without giving the respondent an opportunity to be heard should the respondent fail to comply with the restitution order.

5. Respondent shall submit copies of documents directly related to the person’s construction operations to the Registrar upon demand during the probation period.

872. Disclosure of General Liability Insurance

(a) As used in this regulation, “home improvement contract” is defined in Code Section 7151.2 The following statement, must accompany every estimate (bid) intended to result in a home improvement contract and every home improvement contract. The heading shall be printed in at least 14-point type, the questions in at least 12-point type, and the comments in italics of at least 11-point type. The text should be bold where indicated. **This is 14-point type. This is 12-point type. *This is 11-point type in italics.***

**Information About Commercial General Liability Insurance
Home Improvement**

Pursuant to California Business & Professions Code §7159.3 (SB 2029), home improvement contractors must provide this notice and disclose whether or not they carry commercial general liability insurance.

Did your contractor tell you whether he or she carries Commercial General Liability Insurance?

Home improvement contractors are required by law to tell you whether or not they carry Commercial General Liability Insurance. This written statement must accompany the bid, if there is one, and the contract.

What does this insurance cover?

Commercial General Liability Insurance can protect against third-party bodily injury and accidental property damage. It is not intended to cover the work the contractor performs.

Is this insurance required?

No. But the Contractors State License Board strongly recommends that all contractors carry it. The Board cautions you to evaluate the risk to your family and property when you hire a contractor who is not insured. Ask yourself, if something went wrong, would this contractor be able to cover losses ordinarily covered by insurance?

How can you make sure the contractor is insured?

If he or she is insured, your contractor is required to provide you with the name and telephone number of the insurance company. Check with the insurance company to verify that the contractor’s insurance coverage will cover your project.

What about a contractor who is self-insured?

A self-insured contractor has made a business decision to be personally responsible for losses that would ordinarily be covered by insurance. Before contracting with a self-insured contractor, ask yourself, if something went wrong, would this contractor be able to cover losses ordinarily covered by insurance?

☐ _____ does not carry Commercial General Liability Insurance.
(CONTRACTOR'S NAME)

☐ _____ carries Commercial General Liability Insurance.
(CONTRACTOR'S NAME)

The insurance company is _____.
(COMPANY NAME)

You may call the insurance company at _____ to verify coverage.
(TELEPHONE NUMBER)

For more information about Commercial General Liability Insurance, contact the Contractors State License Board at www.cslb.ca.gov or call 800-321-CSLB (2752).

(b) The following statement must accompany every contract described in Code Section 7164. the heading shall be printed in at least 14-point type, the questions in at least 12-point type, and the comments in italics of at least 11-point type. The text should be bold where indicated. **This is 14-point type.** This is 12-point type. *This is 11-point type in italics.*

Information About Commercial General Liability Insurance Single Family Home

Pursuant to California Business & Professions Code §7164 (SB 2029), contractors building single-family residences for owners who intend to occupy the home for at least a year must provide this notice and disclose whether or not they carry commercial general liability insurance.

Did your contractor tell you whether he or she carries Commercial General Liability Insurance?

Contractors building single-family residences for owners who intend to occupy the home for at least a year are required by law to tell you whether or not they carry Commercial General Liability Insurance. This written statement must accompany the contract.

What does this insurance cover?

Commercial General Liability Insurance can protect against third-party bodily injury and accidental property damage. It is not intended to cover the work the contractor performs.

Is this insurance required?

No. But the Contractors State License Board strongly recommends that all contractors carry it. The Board cautions you to evaluate the risk to your family and property when you hire a contractor who is not insured. Ask yourself, if something went wrong, would this contractor be able to cover losses ordinarily covered by insurance?

How can you make sure the contractor is insured?

If he or she is insured, your contractor is required to provide you with the name and telephone number of the insurance company. Check with the insurance company to verify that the contractor's insurance coverage will cover your project.

What about a contractor who is self-insured?

A self-insured contractor has made a business decision to be personally responsible for losses that would ordinarily be covered by insurance. Before contracting with a self-insured contractor, ask yourself, if something went wrong, would this contractor be able to cover losses ordinarily covered by insurance?

☐ _____ does not carry Commercial General Liability Insurance.
(CONTRACTOR'S NAME)

☐ _____ carries Commercial General Liability Insurance.
(CONTRACTOR'S NAME)

The insurance company is _____.
(COMPANY NAME)

You may call the insurance company at _____ to verify coverage.
(TELEPHONE NUMBER)

For more information about Commercial General Liability Insurance, contact the Contractors State License Board at www.cslb.ca.gov or call 800-321-CSLB (2752).

(This form meets the requirements of Rule 872 and Sections 7159.3 and 7164, Business and Professions Code.)

872.1. Checklist for Homeowners

(a) As used in this regulation, home improvement is defined in Code Section 7151.2.

(b) The following statement, must accompany every estimate (bid) intended to result in a home improvement contract and every home improvement contract that does not include a swimming pool. The heading shall be printed in at least 14-point type, the questions in at least 12-point type, and the comments in italics of at least 11-point type. The text should be bold where indicated. **This is 14-point type. This is 12-point type. This is 11-point type in italics.**

Checklist for Homeowners**Home Improvement**

Pursuant to California Business & Professions Code §7159.3 (SB 2029), home improvement contractors must provide this notice.

✓ Check Out Your Contractor

- ☐ Did you contact the Contractors State License Board (CSLB) to check the status of the contractor's license?

*Contact the **CSLB at 1-800-321-CSLB (2752) or visit our web site: www.cslb.ca.gov**.*

- ☐ Did you get at least 3 local references from the contractors you are considering?
Did you call them?

- ☐ Building Permits—will the contractor get a permit before the work starts?

✓ Check Out the Contract

- ☐ Did you read and do you understand your contract?

- ☐ Does the 3-day right to cancel a contract apply to you?

Contact the CSLB if you don't know.

- ☐ Does the contract tell you when work will start and end?

- ☐ Does the contract include a detailed description of the work to be done, the material to be used, and equipment to be installed?

*This description should include brand names, model numbers, quantities and colors.
Specific descriptions now will prevent disputes later.*

- ☐ Are you required to pay a down payment?

If you are, the down payment should never be more than 10% of the contract price or \$1,000, whichever is less.

- ☐ Is there a schedule of payments?

If there is a schedule of payments, you should pay only as work is completed and not before. There are some exceptions—contact the CSLB to find out what they are.

- ☐ Did your contractor give you a "Notice to Owner," a warning notice describing liens and ways to prevent them?

Even if you pay your contractor, a lien can be placed on your home by unpaid laborers, subcontractors, or material suppliers. A lien can result in you paying twice or, in some cases, losing your home in a foreclosure. Check the "Notice to Owner" for ways to protect yourself.

- ☐ Did you know changes or additions to your contract **must** all be in writing?

Putting changes in writing reduces the possibility of a later dispute.

(This form meets the requirements of Rule 872.1 and Sections 7159.3 and 7164, Business and Professions Code.)

(c) The following statement, must accompany every estimate (bid) intended to result in a home improvement contract and every home improvement contract that includes a swimming pool. The heading shall be printed in at least 14-point type, the questions in at least 12-point type, and the comments in italics of at least 11-point type. The text should be bold where indicated. **This is 14-point type.** This is 12-point type. *This is 11-point type in italics.*

Checklist for Homeowners

Swimming Pool

Pursuant to California Business & Professions Code §7159.3 (SB 2029), home improvement contractors building swimming pools must provide this notice.

☒ Check Out Your Contractor

- ☐ Did you contact the Contractors State License Board (CSLB) to check the status of the contractor's license?

*Contact the **CSLB at 1-800-321-CSLB (2752)** or visit our **web site: www.cslb.ca.gov**.*

- ☐ Did you get at least 3 local references from the contractors you are considering?

Did you call them?

- ☐ Building Permits—will the contractor get a permit before the work starts?

☒ Check Out the Contract

- ☐ Did you read and do you understand your contract?

- ☐ Does the 3-day right to cancel a contract apply to you?

Contact the CSLB if you don't know.

- ☐ Does the contract tell you when work will start and end?

- ☐ Does the contract include a detailed description of the work to be done, the material that will be used and equipment to be installed?

This description should include a plan and scale drawing showing the shape, size, dimensions and specifications. It should include brand names, model numbers, quantities and colors. Specific descriptions now will prevent disputes later.

- ☐ Are you required to pay a down payment?

The down payment for swimming pools should never be more than 2% of the contract price or \$200, whichever is less.

- ☐ Is there a schedule of payments?

If there is a schedule of payments, you should pay only as work is completed and not before. There are some exceptions—contact the CSLB to find out what they are.

- ☐ Did your contractor give you a "Notice to Owner," a warning notice describing liens and ways to prevent them?

Even if you pay your contractor, a lien can be placed on your home by unpaid laborers, subcontractors, or material suppliers. A lien can result in you paying twice or, in some cases, losing your home in a foreclosure. Check the "Notice to Owner" for ways to protect yourself.

- ☐ Did you know changes or additions to your contract **must** all be in writing?

Putting changes in writing reduces the possibility of a later dispute.

(This form meets the requirements of Rule 872.1 and Sections 7159.3 and 7164, Business and Professions Code.)

ARTICLE 8. CITATION

880. Order of Correction—Practical Feasibility

Before including an order of correction in a citation, due consideration shall be given to the practical feasibility of correction in accordance with, but not limited to, the following criteria:

- (a) An order of correction is appropriate where it would not result in excessive destruction of or substantial waste of existing acceptable construction.
- (b) An order of correction is appropriate where the owner of the construction project is willing to allow the cited licensee to correct.
- (c) An order of correction is appropriate where it appears to the Registrar that the cited licensee has competence or ability to correct.

(Authority cited: Sections 7008 and 7099.1, Business and Professions Code. Reference: Sections 7099 and 7099.1, Business and Professions Code.)

881. Order of Correction—Alternative Compliance

A cited licensee may comply with an order of correction by having and paying for another licensee to do the corrective work. The cited licensee remains responsible, however, for any failure to fully comply with the order of correction.

An order of correction may, but need not, contain the alternative that the cited person may pay a specified sum to the owner of the construction project in lieu of correcting.

(Authority cited: Sections 7008 and 7099.1, Business and Professions Code. Reference: Sections 7099 and 7099.1, Business and Professions Code.)

882. Order of Correction—Time Required to Correct

Where an order of correction is included in a citation, due consideration shall be given to the time required to correct in accordance with, but not limited to, the following criteria:

- (a) Accepted industry practice in that area relating to performance of such work under certain climate or weather conditions.
- (b) A reasonable time in which to obtain necessary materials.
- (c) The number of working days the construction project will be made accessible by the owner for corrections.

(Authority cited: Sections 7008 and 7099.1, Business and Professions Code. Reference: Sections 7099 and 7099.1, Business and Professions Code.)

883. Order of Correction—Extension of Time to Correct

If the cited person, after exercising substantial efforts and reasonable diligence, is unable to complete the correction within the time allowed because of conditions beyond his control, he may request an extension of time in which to correct. Such request must be made in writing, and must be made prior to the expiration of the time allowed in the order of correction. An extension may be granted upon

showing of good cause which determination is within the discretion of the Registrar. If a request for extension of time is not made prior to the expiration of time allowed in the order of correction, failure to correct within the time allowed shall constitute a violation of the order of correction whether or not good cause for an extension of time existed.

(Authority cited: Sections 7008 and 7099.1, Business and Professions Code. Reference: Sections 7099 and 7099.1, Business and Professions Code.)

884. Recommended Assessments of Civil Penalties

In assessing a civil penalty against a person who has not previously been cited for violation of the same or similar section of the Contractors License Law, the Registrar shall give due consideration to the following guidelines:

<i>Section Violated</i>	<i>Recommended Minimum Civil Penalty</i>	<i>Recommended Maximum Civil Penalty</i>
7030	\$50.	\$100.
7030.5	50.	100.
7071.13	50.	100.
7075	50.	100.
7083	50.	100.
7083.1	50.	100.
7018.5	50.	150.
7027.1	50.	150.
7029.5	50.	150.
7034	50.	150.
7068.2	50.	150.
7110.1	50.	150.
7117	50.	150.
7125	50.	150.
7028.5	50.	500.
7071.11	50.	500.
7111	50.	500.
7113.5	50.	500.
7154	50.	500.
7157	50.	500.
7110	50.	1000.
7068.1	50.	1000.
7076	50.	1000.
7099.10	50.	1000.
7099.11	50.	1000.
7111.1	50.	1000.
7114.1	50.	1000.
7118.4	50.	1000.
7118.5	50.	1000.
7159	50.	1000.
7162	50.	1000.
7164	50.	1000.
7107	100.	1000.

7108	100.	1000.
7108.5	100.	1000.
7108.6	100.	1000.
7119	100.	1000.
7120	100.	1000.
7109	50.	1500.
7109.5	50.	1500.
7113	50.	1500.
7116	50.	1500.
7158	50.	1500.
7161	50.	1500.
7123	500.	1500.
7125.1	500.	1500.
7028	200.	2000.
7029.1	200.	2000.
7117.5	200.	2000.
7117.6	200.	2000.
7114	200.	15000.
7118	200.	15000.

(a) The minimum and maximum civil penalties as set forth above are advisory only. Where there is more than one violation, where, in the judgment of the Registrar, a person has exhibited bad faith or where, in the judgment of the Registrar, the violation is grave, the maximum recommended civil penalty shall be \$2,000.00.

(b) Where a cited person has a history of violations of the same or similar sections of the Contractors License Law, the maximum recommended civil penalty shall be \$2,000.00.

Where a citation lists more than one violation the amount of assessed civil penalty shall be stated separately for each section violated.

(c) Where a citation lists more than one violation and each of the violations relates to the same construction project, the total penalty assessment in each citation shall not exceed \$2,000.00.

(d) Notwithstanding subsections (a), (b) or (c) a civil penalty of \$15,000 may be assessed for a violation of Section 7114 or 7118 if the cited person has a history of violations of the same or similar sections of the Contractors License Law or in the judgment of the Registrar the cited person has exhibited bad faith or the violation is grave.

(Authority cited: Sections 7008 and 7099.2, Business and Professions Code. Reference: Sections 7099 and 7099.1, Business and Professions Code.)

885. Appeal of Citation

Any person served with a citation pursuant to Section 7099 of the Business and Professions Code may contest the citation by appealing to the Registrar within 15 working days from the receipt of such citation. The 15 day period may be extended upon showing of good

cause which determination is within the discretion of the Registrar.

The cited person may contest any or all of the following aspects of the citation:

1. The occurrence of a violation of the Contractors License Law;
2. The reasonableness of the order of correction, if an order of correction is included in the citation;
3. The period of time allowed for correction, if an order of correction is included in the citation;
4. The amount of the civil penalty, if a civil penalty is assessed in the citation.

(Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7099.3, 7099.4 and 7099.5, Business and Professions Code.)

886. Service of Citation

Service of a citation shall be made in accordance with the provisions of Section 11505(c) of the Government Code, and, further, that a copy of the citation be sent by regular mail.

(Authority cited: Section 7008, Business and Professions Code. Reference: Sections 7099.3, 7099.4 and 7099.5, Business and Professions Code.)

887. Criteria to Evaluate the Gravity of a Violation of Business and Professions Code Section 7028.7

Before assessing a civil penalty under Section 7028.7 of the Business and Professions Code, the Registrar shall give due consideration to the gravity of the violation, including, but not limited to, a consideration of whether the cited person did one or more of the following:

1. Falsely represented that he/she was licensed.
2. Failed to perform work for which money was received.
3. Executed or used any false or misleading documents in order to induce a person to enter into a contract or to pay money.
4. Made false or misleading statements in order to induce a person to enter into a contract or pay money.
5. Failed to apply funds which were received for the purpose of obtaining or paying for services, labor, materials, or equipment.
6. Performed work that was potentially hazardous to the health, safety, or general welfare of the public.
7. Performed work in violation of the building laws, safety laws, labor laws, compensation insurance laws, or unemployment insurance laws.
8. Performed work that did not meet acceptable trade standards for good and workmanlike construction.
9. Was convicted of a crime in connection with the violation.
10. Committed any act which would be cause for disciplinary action against a licensee.
11. Committed numerous or repeated violations.

(Authority cited: Sections 7008 and 7028.7, Business and Professions Code. Reference: Section 7028.7, Business and Professions Code.)

ARTICLE 9. ARBITRATION**890. Minimum Qualification Standards for Arbitrators**

For the purposes of Section 7085.5 of the Code, regardless of the method of appointment or selection, arbitrators shall possess the following minimum qualifications:

- (a) (1) Five (5) years of experience in the construction industry as a licensed contractor or a professional in a construction related field, such as an architect or engineer, or
- (2) Five (5) years of experience as an attorney, judge, administrative law judge, arbitrator, or a combination thereof, handling a minimum of 8 construction related matters.

(b) Completion of an arbitrator's course on construction arbitration within the last 5 years including, but not limited to, training on the process, the ethics and the laws relating to arbitration. The training on the process of arbitration may include such topics as the role of the arbitrator, the use of effective questioning techniques, and the role of an expert in an arbitration proceeding.

(c) Completion of 8 hours of continuing education on construction arbitration every 5 years, including, but not limited to, the topics set forth in subsection (b).

(d) Completion of a training program related specifically to the Board's arbitration procedures, laws and policies.

(Authority cited: Section 7008 and 7085.5(b)(3), Business and Professions Code. Reference: Section 7085 et seq., Business and Professions Code.)